Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 03894 01 OF 02 260255Z

63
ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06 CIEP-02

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 DOTE-00 FMC-02

SAL-01 CG-00 DLOS-04 OES-06 /115 W
---------- 076633
P R 260040Z MAY 76
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 7326
INFO USDOC WASHDC

UNCLAS SECTION 1 OF 2 SEOUL 3894

COMMERCE PASS BIC/OIM/239 SCHNEIDER

E.O. 11652: N/A
TAGS: OVIP, KS
SUBJECT: SEVENTH MINISTERIAL MEETING - JOINT COMMUNIQUE

1. THE FOLLOWING IS TEXT OF JOINT COMMUNIQUE SIGNED BY MINISTER CHANG YIE-JOON AND SECRETARY ELLIOT L. RICHARDSON MAY 25, 1976 AT 9:30 AM: QUOTE

THE SEVENTH KOREA-UNITED STATES COMMERCE MINISTERS MEETING WAS HELD IN SEOUL, MAY 22-25, 1976. THE KOREAN DELEGATION WAS HEADED BY YIE JOON CHANG, MINISTER OF COMMERCE AND INDUSTRY, AND THE UNITED STATES DELEGATION BY ELLIOT L. RICHARDSON, SECRETARY OF COMMERCE. RICHARD L. SNEIDER, THE UNITED STATES AMBASSADOR TO KOREA, ALSO PARTICIPATED IN THE MEETING.

DURING THE COURSE OF THE SEVENTH MEETING, MINISTER CHANG AND SECRETARY RICHARDSON DISCUSSED A BROAD RANGE OF TOPICS, INCLUDING THE OUTLOOK FOR THE KOREAN AND UNITED STATES ECONOMIES, BILATERAL TRADE DEVELOPMENTS, AND QUESTIONS RELATING TO ECONOMIC COOPERATION
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SEOUL 03894 01 OF 02 260255Z

BETWEEN THEIR TWO COUNTRIES IN THE FIELD OF INVESTMENT, FINANCE,

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

AND INDUSTRY.

I

BOTH MINISTERS NOTED WITH SATISFACTION THAT THE ECONOMIES OF THEIR RESPECTIVE COUNTRIES ARE STRONGLY RECOVERING FROM THE WORLDWIDE ECONOMIC DIFFICULTIES OF THE PAST TWO YEARS. THE TWO MINISTERS PARTICULARLY NOTED KOREA'S REMARKABLE SUCCESS IN EXPANDING ITS EXPORT TRADE, UPGRADING THE NATURE OF PRODUCTS BEING EXPORTED, AND DIVERSIFYING ITS EXPORT MARKETS.

II

IN REVIEWING THE FAVORABLE EXPANSION OF TWO-WAY TRADE BETWEEN KOREA AND THE UNITED STATES, MINISTER CHANG EXPRESSED HIS GOVERNMENT'S ADMIRATION FOR PRESIDENT FORD'S RECENT ACTIONS IN REJECTING IMPORT RESTRAINTS ON PRODUCTS OF SPECIAL INTEREST TO KOREA IN FAVOR OF ADJUSTMENT ASSISTANCE FOR UNITED STATES INDUSTRY.

HE NOTED, HOWEVER, THAT THERE ARE SOME KOREAN EXPORTS TO THE UNITED STATES WHICH ARE STILL SUBJECT TO RESTRICTIONS SUCH AS TEXTILES AND, TO A LIMITED EXTENT, CANVAS AND RUBBER FOOTWEAR, AND EXPRESSED HIS HOPE FOR AN EARLY TERMINATION OF THESE RESTRICTIONS.

MINISTER CHANG ALSO NOTED THAT THE UNITED STATES HAD IMPLEMENTED ITS TARIFF PREFERENCE SCHEME TOWARD THE DEVELOPING COUNTRIES AND THAT, DESPITE ITS LIMITING PROVISIONS, IT WILL PROMOTE KOREAN EXPORTS TO THE UNITED STATES. IN THIS REGARD, HE EXPRESSED THE HOPE THAT THE UNITED STATES GOVERNMENT WILL IMPLEMENT ITS SCHEME IN A FLEXIBLE MANNER SO AS TO BRING MAXIMUM BENEFITS TO DEVELOPING COUNTRIES SUCH AS KOREA.

SECRETARY RICHARDSON WELCOMED MINISTER CHANG'S FAVORABLE COMMENTS ON RECENT UNITED STATES LIBERAL TRADE ACTIONS AND STATED THAT PRESIDENT FORD'S DECISIONS REAFFIRM THE UNITED STATES COMMITMENT TO PROVIDE LADERSHIP TO REDUCE TRADE BARRIERS AND TO IMPROVE THE WORLD TRADING SYSTEM. WITH REGARD TO THE TEXTILES AND RUBBER FOOTWEAR QUESTIONS RAISED BY MINISTER CHANG, THE UNITED STATES
UNCLASSIFIED

DELEGATION SUGGESTED THAT FURTHER DISCUSSION OF THESE MATTERS BE CONDUCTED BY OUR RESPECTIVE EXPERTS.

THE SECRETARY ALSO INVITED KOREA TO BEGIN DISCUSSIONS WITH THE UNITED STATES CONCERNING THE UNITED STATES OFFER OF CONCESSIONS ON TROPICAL PRODUCTS WHICH THE UNITED STATES IS MAKING IN THE MULTILATERAL TRADE NEGOTIATIONS AND THE POSSIBLE RELATED KOREAN CONTRIBUTIONS. THE KOREAN DELEGATION STATED THAT KOREA

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

WILL CONSULT ON THIS MATTER WITH THE UNITED STATES IN GENEVA,
AND MADE A REQUEST THAT THE UNITED STATES OFFERS BE INCREASED
BY THE ADDITION OF PRINT AND OVERLAID PLYWOOD AND TEAKWOOD CHAIRS,
WHICH ARE OF INTEREST TO KOREA.

THE KOREAN DELEGATION EXPRESSED ITS CONCERN OVER THE POSSIBLE
EFFECTS OF THE PROPOSED ORDERLY MARKETING ARRANGEMENTS ON KOREAN
SPECIALTY STEEL EXPORTS TO THE US MARKET. THE US DELEGATION
ASSURED THE KOREAN DELEGATION THAT THE US GOVERNMENT WILL TAKE
FULL ACCOUNT OF KOREA'S FUTURE INTERESTS IN THIS MATTER.

III

SECRETARY RICHARDSON EXPRESSED APPRECIATION FOR THE SUPPORT
WHICH THE KOREAN GOVERNMENT HAS GIVEN TO THE UNITED STATES
TRADE CENTER IN SEOUL WHICH, HE NOTED, HAS BEEN MOST EFFECTIVE
IN INTRODUCING TO KOREA MACHINERY AND EQUIPMENT TO MEET KOREA'S
DEVELOPMENT NEEDS. THE KOREAN GOVERNMENT RESPONDED THAT THE UNITED
STATES TRADE CENTER HAD PLAYED AN IMPORTANT ROLE IN KOREA AND
SUGGESTED THAT THE UNITED STATES GOVERNMENT SET UP A PERMANENT
UNITED STATES DEPARTMENT OF COMMERCE TRADE CENTER IN SEOUL.
IN THIS REGARD THE KOREAN GOVERNMENT OFFERED TO PROVIDE ASSIST-
ANCE.

IV

SECRETARY RICHARDSON NOTED THAT WHILE THE KOREAN MARKET IS
GENERALLY RECEPTIVE, UNITED STATES EXPORTERS FIND THAT THE COM-
PLEXITY OF KOREA'S IMPORT SYSTEM PRESENTS A NUMBER OF DIFFICULT
PROBLEMS. HE EXPRESSED THE HOPE THAT THE EXISTING SYSTEM WOULD
BE SIMPLIFIED AND RELAXED, AND THAT GREATER RELATIVE RELIANCE
BE PLACED ON TARIFF MEASURES. MINISTER CHANG ASSURED THE SECRETARY
THAT KOREA IS COMMITTED TO THE PRINCIPLES OF TRADE LIBERALIZATION
UNCLASSIFIED

UNCLASSIFIED

AND IS TAKING STEPS IN THAT DIRECTION TO THE EXTENT THAT ITS
BALANCE OF PAYMENTS POSITION PERMITS.

MINISTER CHANG OBSERVED THAT DIFFERENTIAL OCEAN FREIGHT SURCHARGES
ON SHIPMENTS BETWEEN INCHEON AND UNITED STATES PORTS BY THE TWO
SHIPPING CONFERENCES ARE NO LONGER JUSTIFIED IN VIEW OF THE
IMPROVEMENT OF THE INCHEON PORT FACILITIESG THE KOREANDELEGATION
REQUESTED THE COOPERATION AND ASSISTANCE OF THE UNITED STATES
DELEGATION IN SEEKING THE ELIMINATION OF SUCH SURCHARGES.
THE UNITED STATES DELEGATION NOTED THAT THE CHAIRMAN OF THE
UNITED STATES FEDERAL MARITIME COMMISSION, WHICH HAS JURISDICTION
IN THIS MATTER, VISITED KOREA LAST MONTH AND FULLY DISCUSSED
THIS PROBLEM WITH MINISTER CHANG AND OTHER KOREAN OFFICIALS.
THE UNITED STATES DELEGATION ADDED THAT THEY UNDERSTOOD THAT THE
COMMISSION IS IN THE PROCESS OF REVIEWING THE ISSUE, AND

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

AGREED TO REFER THIS MATTER TO THE FMC.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 SEOUL 03894 02 OF 02 260306Z

63
ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06 CIEP-02

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 DOTE-00 FMC-02

SAL-01 CG-00 DLOS-04 OES-06 /115 W
---------- 076768
P R 260040Z MAY 76
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 7327
INFO USDOC WASHDC

UNCLAS SECTION 2 OF 2 SEOUL 3894

COMMERCE PASS BIC/OIM/239 SCHNEIDER

V

THE SECRETARY AND THE MINISTER DISCUSSED KOREA'S FOURTH FIVE YEAR ECONOMIC DEVELOPMENT PLAN AND THE LOANS AND EQUITY INVESTMENTS REQUIRED TO FINANCE THE PROJECTS CONTAINED IN THE PLAN. A LIST OF FIFTEEN PROJECTS FOR WHICH EXPORT IMPORT BANK FINANCING HAS BEEN OR WILL BE REQUESTED WAS PROVIDED TO THE UNITED STATES DELEGATION. MINISTER CHANG REQUESTED THE UNITED STATES DELEGATION TO ENCOURAGE THE EXPORT IMPORT BANK OF THE UNITED STATES TO CONTINUE TO SUPPORT UNITED STATES RPIVATE SECTOR PARTICIPATION IN KOREAN ECONOMIC DEVELOPMENT PROJECTS. THE MINISTER ALSO NOTED THE IMPORTANCE OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION AND THE PL-IP AND COMMODITY CREDIT CORPORATION PROGRAMS FOR KOREA. HE REQUEESTED THAT THESE PROGRAMS BE CONTINUED AND THAT THEIR TERMS AND CONDITIONS TAKE ACCOUNT OF KOREA'S NEEDS. THE UNITED STATES DELEGATION AGREED TO PROVIDE ITS GOOD OFFICES IN ENCOURAGING THESE ORGANIZATIONS TO FULLY CONSIDER THE INTERESTS OF KOREA.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

WSECRETARY RICHARDSON CITED THE SHARP INCREASE IN KOREAN GOVERN-
UNCLASSIFIED

MENT APPROVALS LAST YEAR AS A REFLECTION OF THE GENERALLY FAVOR-
ABLE FOREIGN INVESTMENT CLIMATE IN KOREA. THE SECRETARY NOTED,
HOWEVER, THAT BECAUSE THE LICENSING OF FOREIGN TECHNOLOGY ALSO
HAS AN IMPORTANT ROLE TO PLAY IN KOREA'S ONGOING DEVELOPMENTAL
EFFORTS, IT WOULD BE DESIRABLE FOR THE KOREAN GOVERNMENT TO
RELAX THE ADMINISTRATIVE CRITERIA WHICH IT APPLIES TOWARD LICENS-
ING AGREEMENTS. NOTING THE KOREAN GOVERNMENT'S EXPECTATIONS OF
FURTHER UNIED STATES PRIVATE INVESTMENT, THE SECRETARY EMPHASIZED
THAT SINCE THE UNITED STATES GOVERNMENT FACILITATES BUT DOES N
NOT DIRECTLY PROMOTE AMERICAN INVESTMENT ABROAD, IT IS IMPORTANT
FOR THE KOREAN GOVERNMENT TO MAINTAIN AND IMPROVE THE INVESTMENT
CLIMATE WHICH HAS ALREADY ATTRACTED SIGNIFICANT FOREIGN CAPITAL.

VI

THE UNITED STATES DELEGATION WELCOMED THE ESTABLISHMENT OF THE
KOREA STANDARDS RESEARCH INSTITUTE AND BOTH DELEGATIONS LOOKED
FORWARD TO CONTINUED COOPERATION BETWEEN THE KSRI AND THE
UNITED STATES NATIONAL BUREAU OF STANDARDS IN AREAS OF MUTUAL
INTEREST.

VII

MINISTER CHANG, IN EMPHASIZING THE IMPORTANCE FOR KOREA OF THE
UNITED STATES FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976,
REQUESTED THAT THE UNITED STATES GOVERNMENT KEEP IN MID THE
HEAVY DEPENDENCE OF THE KOREAN PEIPLE ON FISH AS A MAJOR
SOURCE OF PROTEIN AND OHE IMPORTANCE F THE 200 MILE CONSERVATION
ZONE TO THE KOREAN FISHING INDUSTRY. SECRETARY RICHARDSON EX-
PLAINED THAT THE LEGISLATION DOES NOT REFLECT A DESIRE TO CLOSE
THIS ZONE TO FOREIGN FISHERMEN, BUT RATHER IT SEEKS TO PROMOTE
THE RECOVERY OF DEPLETED COASTAL FISHERY RESOURCES AND TO INSURE
THE CONTINUED PRODUCTIVITY OF THOSE RESOURCES TO THE NENEFIT OF
THE CITIZENS OF ALL COUNTRIES. THE SECRETARY INDICATED THAT
THE UNITED STATES GOVERNMENT WAS FULLY AWARE OF THE PROBLEMS
WHICH THE LEGISLATION PRESENTS FOR KORTA, AND HE ASSURED MINISTER
CHANG THAT EVERY POSSIBLE EFFORT WILL BE MADE TO RESOLVE THOSE
DIFFICULTIES DURING THE DISCUSSIONS TO BE HELD BETWEEN FISHERY
SPECIALISTS OF THE TWO GOVERNMENTS.

VIII

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

SECRETARY RICHARDSON REVIEWED SEVERAL LONG-STANDING PROBLEMS OF PARTICULAR CONCERN TO THE UNITED STATES. WITH RESPECT TO AMERICAN MOTION PICTURES, HE INDICATED THAT KOREA WAS ONE OF THE FEW COUNTRIES WHICH STILL PLACED QUOTA LIMITATIONS ON IMPORTS OF FEATURE FILMS. UNITED STATES FILM COMPANIES ARE NOT PERMITTED TO IMPORT FILMS DIRECTLY INTO KOREA, NOR TO OPERATE OFFICES FOR DISTRIBUTING THEIR FILMS TO KOREAN THEATERS. THE SECRETARY URGED THAT THE APPROPRIATE KOREAN AUTHORITIES TAKE STEPS TO IMPROVE THIS SITUATION.

NOTING THE REQUEST OF SECRETARY RICHARDSON THAT KOREA IMPORT MORE AMERICAN MOTION PIECTURE FEATURES FROM THE UNITED STATES, THE KOREAN DELEGATION PROMISED TO GIVE FAVORABLE CONSIDERATION TO THE UNITED STATES POSITION, WITH A VIEW TO DOUBLING THE IMPORTS OF MOTION PICTURES FROM THE UNITED STATES BY 1977 OVER THE 1975 LEVEL, KEEPING IN MIND THE DEMAND AND SUPPLY SITUATION OF KOREA'S FOREIGN MOTION PICTURE MARKET.

OTHER TRADE-RELATED ISSUES WERE RAISED BY SECRETARY RICHARDSON. OHEY INCLUDED COPYRIGHT PROTECTION IN KOREA, PATENT AND TRADE-MARK PROTECTION, AND IMPROVED CONDITIONS FOR THE OPERATIONS OF AMERICAN INSURANCE COMPANIES.

POINTING OUT THAT IMPROVEMENT IN ALL THESE AREAS WOULD ENHANCE BOTH THE TRADE AND FOREIGN INVESTMENT CLIMATE, THE SECRETARY STRESSED THAT THESE ISSUES UNNECESSARILY DETRACT FROM AN OTHERWISE FAVORABLE AND ATTRACTIVE ENVIRONMENT. MINISTER CHANG INDICATED THAT HE WOULD REFER THE MATTERS RAISED BY SECRETARY RICHARDSON TO THE APPROPRIATE AUTHORITIES AND WOULD REQUEST THAT THEY TAKE ACTIONS TO DEAL WITH THEM.

IN CONCLUDING THE MEETING, SECRETARY RICHARDSON EXPRESSED PARTICULAR SATISFACTION THAT HE AND HIS DELEGATION HAD BEEN ABLE TO SEE MUCH OF KOREA'S CULTURAL, INDUSTRIAL, AND DEVELOP-MENTAL ACHIEVEMENTS. THE SECRETARY AND MINISTER AGREED THAT THEIR FRANK AND CORDIAL EXCHANGE OF VIEWS HAD SERVED TO STRENGTHEN FURTHER THE INCREASINGLY CLOSE AND MUTUALLY BENEFICIAL COMMERCIAL RELATIONSHIP BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES.
SECRETARY RICHARDSON EXPRESSED HIS DEEP APPRECIATION FOR THE
UNCLASSIFIED

KIND RECEPTION AND WARM HOSPITALITY EXTENDED TO HIM AND THE ENTIRE UNITED STATES DELEGATION BY THEIR KOREAN HOSTS THROUGHOUT THEIR STAY IN KOREA.

THE TWO MINISTERS AGREED TO HOLD THE EIGHTH UNITED STATES-KOREA COMMERCE MINISTERS MEETING IN WASHINGTON AT A MUTUALLY AGREEABLE TIME. END QUOTE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

ERICSON

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SEOUL03894
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760510/aaaaaixp.tel
Line Count: 332
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 02 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 AUG 2004 by mendozsm>; APPROVED <29 SEP 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SEVENTH MINISTERIAL MEETING - JOINT COMMUNIQUE
TAGS: OVIP, KS
To: SECSTATE WASHDC
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006